1	JABPKIDO
1 2	UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORKx
3	UNITED STATES OF AMERICA,
4	v. 18 CR 872 (VM)
5	LLOYD KIDD,
6	Defendant.
7	x
8	New York, N.Y. October 11, 2019
9	3:23 p.m.
10	Before:
11	HON. VICTOR MARRERO,
12	District Judge
13	
14	APPEARANCES
15	GEOFFREY S. BERMAN,
16	United States Attorney for the Southern District of New York
17	JACOB GUTWILLIG Assistant United States Attorney
18	FLORIAN MIEDEL
19	Attorney for Defendant
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1 (In open court) 2 (Case called) 3 THE COURT: Good afternoon. Thank you. Be seated. This is a proceeding in the matter of the United States v. 4 Kidd. It is docket number 18 CR 0872. 5 6 Counsel, please enter your appearances for the record. 7 MR. GUTWILLIG: Good afternoon, your Honor. Jacob Gutwillig for the government. 8 9 MR. MIEDEL: Good afternoon, your Honor. Florian 10 Miedel for Mr. Kidd. THE COURT: Good afternoon. The Court notes that the 11 12 defendant is present in the courtroom seated next to his 13 attorney. 14 The Court scheduled this proceeding following the jury trial of the underlying matter in order to consider a request 15 by the defendant to submit a motion under rule 29 for a 16 17 directed verdict challenging the jury's conviction of the defendant on one of the counts. 18 19 Mr. Miedel, are you ready to proceed? 20 MR. MIEDEL: Yes, I am, your Honor. 21 THE COURT: All right. Let me ask how long a 22 presentation you anticipate? 23 MR. MIEDEL: Your Honor, maybe 15 minutes? 24 THE COURT: All right. 25 MR. MIEDEL: If I may, I'll go to the podium.

THE COURT: Yes.

MR. MIEDEL: Your Honor, this is an oral argument in support of Mr. Kidd's rule 29 motion made at the end of the government's case and renewed again at the end of the entire trial. The Court has asked, I think, for argument on the rule 29 motion be made orally at this conference, as opposed to being briefed before the conference. Therefore, I haven't briefed anything in advance; although, I think that this issue actually might benefit from briefing, but the Court can decide that later.

I'm raising one issue, your Honor, for rule 29 purposes, which is that the evidence was legally insufficient, as a matter of law, to allow the jury to conclude, as to Counts One and Five, even by a preponderance of the evidence, that venue for those counts existed in the Southern District of New York.

I think we can all agree that the United States

Constitution and rule 18 of the Federal Rules of Criminal

Procedure require that in order to have venue, some part of the crime of conviction must occur in the district, or it must have occurred in this district, the Southern District. Some part of the crime of conviction, not that somebody in the case lived in the Southern District or took the subway from the Southern

District or commuted from there but that part of the crime had to take place there.

So I'd like to begin by discussing the conviction on Count Five, which is the production of child pornography count, the inducement of a minor to engage in explicit conduct. The indictment in this case makes clear that the images in question were taken in February of 2017. There was testimony at the trial about images that may have been taken earlier, as early as 2015, but this particular count only concerns the images that were produced in February of 2017.

It is undisputed, your Honor, that the photos that were the subject of Count Five were taken in Brooklyn. So the government's argument as to venue has to be that even though the photos were taken in Brooklyn, Kaira Brown was induced or enticed to participate in those photos while she was in Manhattan.

Now, that argument, which I expect the government to make, appears to be based on the Second Circuit's decision in United States v. Thompson, from 2018. That's 896 F.3d 155.

There, the court held that venue in the Eastern District, in that case, was okay even though the picture at issue was taken in the Southern District because the defendant had spent a lot of time, quote, grooming the minor victim in the Eastern District to eventually make it possible for her to participate in taking the video that was the subject of the count in the Southern District.

The grooming in Thompson, just briefly, was as

follows. In Thompson, the defendant directed the minor victim to engage in prostitution in Brooklyn for a period of years. He advertised for her services in Brooklyn. He had such control over her that he even directed her Brooklyn-based prostitution activities while he was in jail, and ultimately, an image was found on his phone in The Bronx of — that was determined to be child pornography, and that video was made in The Bronx.

So clearly, in the Thompson case, all of the criminal conduct, related criminal conduct leading up to the creation of the video, took place in the district where the trial ended up taking place. That was enough for the Second Circuit to conclude that there was sufficient venue.

Now, Thompson, again, that's a case from 2018, relied on two other circuit cases that had taken up this issue as well, one was *United States v. Engle*, a Fourth Circuit case from 2012, and that's at 676 F.3d 405. In that case, venue was challenged as being proper in Virginia because the defendant in that case took a video of himself having sex with a minor in Pennsylvania.

However, he repeatedly contacted the victim from Virginia. He sent her naked pictures of himself from Virginia to get her to agree to have sex with him. He engaged in multiple sexually related conversations from Virginia to try to convince her to have sex with him, and ultimately, the court

there decided that that was sufficient grooming from Virginia to allow venue to be proper in Virginia.

The second case that the Second Circuit relied on in Thompson was *United States v. Sullivan*, which is a Ninth Circuit case from 2015, at 797 F.3d 623, and there venue was challenged as being proper in the Northern District of California.

In that case, the defendant met the minor girl in the Northern District of California. He spent weeks with her in the Northern District. He had sex multiple times with her in the Northern District. He took pictures of her in the Northern District, but at some point, he traveled to the Eastern District of California and took a video, which was the subject of the count of conviction. And not surprisingly, I think the Ninth Circuit concluded that all of those criminal activities that took place in the Northern District of California were enough to generate venue in that district.

Now, the circumstances here are completely different than in these cases that I've cited to you. In this case, there was no -- literally no criminal activity in the Southern District of New York. There was no sex with a minor. There was no prostitution. There were no phone calls or texts of a sexual nature. There were no photos. No videos.

The only thing on the record in this case was Kaira Brown's testimony, in which she said that somewhere in 2015,

Lloyd Kidd contacted her by text in response to an advertisement that had been put up on Backpage of her for prostitution purposes.

He contacted her and, in the text, asked if she would be willing to prostitute herself out of his house in exchange for 50 percent share of the profits. Incidentally, in that text, he told her that she needed to be 18 years old in order to do that. There was that, and then on top of that, she testified about some additional logistical calls that took place over the next 18 to 24 months, where she would call him from Manhattan and ask if she could come over or if the apartment was available, or something like that.

Now, the government's theory has to be that Mr. Kidd enticed Kaira Brown when she was in Manhattan in order to participate in the child pornography that took place in 2017 in Brooklyn. But again, those pictures were taken 18 to 24 months after the initial contact that she testified to in 2015. And during those 18 to 24 months, Kaira Brown testified that she had sex with Mr. Kidd, she engaged in prostitution, she took pictures, he took pictures of her. Her pictures were posted on Backpage, and all of those activities took place in Brooklyn.

Now, perhaps the argument can be made that all of these activities, the sex, the prostitution, the pictures, all were some kind of grooming that would eventually lead to the pictures that were the subject of Count Five. Sure, that

argument could be made, except that grooming took place in Brooklyn. It didn't take place in Manhattan. And that's how this case is fundamentally different from the Thompson case and the other cases it relied on.

Again, in those cases, significant criminal conduct, related criminal conduct took place in the district where the trial took place and led to the taking of videos in another district. Here, the opposite is true. None of the alleged other criminal conduct took place in the Southern District, the prostitution, the other pictures, none of it.

There were not even a series of messages of a sexual nature or pictures sent to Kaira Brown in Manhattan, for example, like there were in the Engle case, in an effort to persuade her later, two years later, I guess, to take the 2017 pictures.

Also, your Honor, merely commuting to your criminal job does not provide venue. There was testimony that during the 18 to 24 months that Kaira Brown participated in these acts in Brooklyn, that periodically she would return to Manhattan to her group home. But again, there was no testimony whatsoever that while she was there, any conduct took place.

As an example, if I run a boiler room in Brooklyn and perpetrate a fraud from that boiler room but I live in Manhattan and commute there every single day and don't engage in any fraudulent conduct while I'm in Manhattan, that doesn't

confer venue on Manhattan in that case. There has to be -- some piece of the crime has to happen there.

The government's theory, I think, on this seeks to stretch the venue doctrine to beyond recognition. The case should have been brought in the Eastern District of New York. It wasn't, and now the government has to live with that decision. But on the facts in this — on the facts of this record, of this trial record, there was no venue for this count in the Southern District and, therefore, your Honor, Count Five should be dismissed.

Now, as to Count One, the argument is similar, although there are some differences in that case. Sex trafficking, the count that Mr. Kidd was convicted of in Count One, 18 U.S.C. Section 1591, the relevant section of it because, obviously, Mr. Kidd was acquitted of the coercion aspect of that count, requires the defendant to solicit, entice, recruit, among other things, to cause a person, who is under 18, to engage in commercial sex acts while knowing or recklessly disregarding the fact that the minor is 18.

Now, in that very first conversation that took place in 2015, according to the testimony of Kaira Brown, as I mentioned before, Mr. Kidd texted her in response to an ad that she had up on Backpage and essentially offered her a chance to work out of his home to continue the prostitution in exchange for 50 percent of the profits. Now, that testimony would

perhaps be legally sufficient to establish that he was recruiting or soliciting her to engage in a commercial sex act.

And she actually was in Manhattan at the time, and if a federal crime in Count One were promoting prostitution or something along — something like that, venue would be proper, but that is not the federal crime in Count One. The federal crime in Count One is sex trafficking, which requires that Mr. Kidd knew or had reason to know or had time to observe Kaira Brown sufficiently to know that she was under 18. That did not happen until weeks later or months later.

What we know from the record is that in the initial text message that he sent her, inviting her to prostitute out of his apartment, he told her — he made clear to her that she had to be 18 years or older, and that's on the record in the transcript on page 175. There was, therefore, no basis for him to know or even suspect or consciously disregard that she was not 18 when she responded to that ad or responded to that text, nor did she ever testify that she told him that she was younger than 18 at that time.

So when he texted and he spoke to her while she was in Manhattan in that initial conversation, he was not committing a federal crime. No part of that, the crime that he was convicted of, took place in that conversation. It would only have been a crime if he had known she was under 18.

Now, again, venue requires at least some part of the

crime to be committed in the district where the prosecution takes place, and he wasn't committing a crime when he induced her. And then, according to the record, over the course of the next 18 months or so, every single act that forms the basis of Count One took place in Brooklyn. There was no sex in Manhattan. There was no prostitution in Manhattan. There was no sending of ads to her, for example, to verify their accuracy in Manhattan. There were no pictures taken for ads in Manhattan. None of it happened in Manhattan.

The fact that Kaira Brown occasionally went back to her group home during this period does not bestow venue on the Southern District, not without some other conduct that was part of the crime. During this period of time, subsequent to him allegedly learning that she was under 18, Mr. Kidd did not recruit her, entice her, harbor her, transport her, provide for her, obtain, advertise, maintain, patronize or solicit her in Manhattan, and that's what the statute requires.

Your Honor, there really isn't -- we'll see when the government stands up, but I don't think there is a factual dispute here. The testimony is what it is. But based on that testimony, the legal conclusion has to be that the evidence was legally insufficient for the jury to conclude that venue was proper in the Southern District for both Count One and Count Five. Thank you.

THE COURT: Thank you.

Mr. Gutwillig?

MR. GUTWILLIG: Yes, your Honor. As the Court instructed the jury at trial with respect to Counts One and Five, and the other counts, the government was required to prove that any act in furtherance of the unlawful activity occurred within the Southern District of New York. Under Second Circuit law, as your Honor instructed, the government must only do that by a preponderance of the evidence.

I'll discuss both Counts One and Count Five in response to the arguments made by defense counsel, but kind of just as a threshold matter, directing the Court's attention generally to pages 117 through 123 of the transcript, which involves Kaira Brown's testimony, she testified, in sum and substance, as defense counsel alluded to, that when the defendant recruited her by text message, she told him that she would be coming from a group home in Manhattan. That's clearly in the testimony.

She also testified that she traveled from Manhattan to Brooklyn to meet the defendant and that she engaged in prostitution for him shortly thereafter. She testified that she saw approximately five customers the first day.

With respect to the Count One, the statute is very broad. It says, section 1591: Recruits, entices, harbors, transports, provides, obtains, advertises, maintains, patronizes or solicits. Here, the defendant clearly recruited

Kaira Brown from the Southern District of New York in the text message conversation. Kaira Brown testified that they discussed prostitution, they discussed the split of the proceeds.

It can't realistically be argued that the defendant had anything else in his mind at that time, given that she engaged in prostitution almost immediately upon arriving. I would note, your Honor, that this theory of venue has been accepted in case United States v. Benjamin, 18 CR 874. At the close of the evidence in that matter, defense counsel made a motion pursuant to rule 29 to dismiss based on lack of venue, and there, the theory of venue was that the defendant had recruited the victim from the Southern District of New York by Facebook communications. The defendant thereafter traveled from the Southern District of New York to Brooklyn -- or I'm sorry, to Queens, rather, to meet the defendant, and then shortly thereafter engaged in prostitution. Very similar here.

And with respect to defense counsel's argument that it is in some way important that the defendant indicated that the victim needed to be 18 or didn't have a reasonable opportunity to observe her until she arrived later that day, I think both of those arguments are unavailing.

And the statute makes clear that any of these acts with -- any of these acts of recruiting it's not necessary that they occur contemporaneously with receiving money or observing

the victim. He recruited her by text message from the Southern District of New York. She engaged in prostitution shortly thereafter.

And with respect to the period, Kaira Brown testified it was in the spring of 2015. The videos and images that are the subject of Count Five were made, or at least the metadata on the creation offered at trial was in February of 2017. During the intervening time, it wasn't the case that Kaira Brown testified that she occasionally went back and forth. She testified that she, quote, very frequently went back and forth to the defendant's apartment. The shortest amount of time was two days. The longest amount of time was two weeks.

She testified also that the first time she went back to Manhattan, she told the defendant she was going back to a facility in Manhattan. She's back and forth from Manhattan to Brooklyn during the entirety of the time from when she was first prostituted by the defendant to when she — when videos and images were made of her in February 2017 that were the subject of Count Five.

Addressing specifically Count Five, the defense counsel is correct that the government would cite to *United States v. Thompson* and also *United States v. Sullivan* and *United States v. Engle*. I believe the citations are already in the record, but *United States v. Thompson*, 896 F.3d 155. And the argument that there was more grooming in that case, or that

there was no grooming in this case, I would submit is unavailing.

The victim testified that she was recruited by the defendant in 2015. The videos and images were not made until February of 2017. During that time, as she testified, she frequently went back and forth from Manhattan to Brooklyn to work for the defendant. During that time, she testified that he tried to force himself on her while she was sleeping, that he choked her on at least one occasion.

And any idea that those acts wouldn't be found to be grooming, and understanding that defense counsel's argument is that the grooming acts, quote, unquote, occurred in the Eastern District of New York, he knew that she was going back and forth and he continued this. And any communications in the recruiting back and forth from Manhattan to Brooklyn and the specific knowledge that she was coming from Manhattan is enough to sustain venue on both Counts One and Count Five.

And I would just also note that Thompson notes the Second Circuit precedence supports a, quote, sweeping conception of, quote, enticement to support venue, and it cites to *United States v. Dorvee*, 616 F.3d 174, and *United States v. Brand*, 467 F.3d 179.

So just to summarize, with respect to Count One, the sex trafficking count, there can really be no dispute that the defendant recruited the victim from the Southern District of

New York, and she shortly thereafter engaged in prostitution on his behalf. And over the next approximately 18 months to two years continued to do so until he ultimately produced the child pornography that was the subject of Count Five.

And for all of those reasons, the government would argue that venue is proper in the Southern District of New York on both Counts One and Five.

THE COURT: Mr. Gutwillig, one question. Is it your understanding that when the defendant first contacted Kaira Brown, he did so in response to her ad in Backpage? Is that correct?

MR. GUTWILLIG: I believe it is. If your Honor would give me a minute just to look at the transcript.

THE COURT: All right.

MR. GUTWILLIG: So the testimony was that: "It was a text message in response to a Backpage ad that was posted of me." So my understanding is that it was in response to a Backpage ad.

THE COURT: So when the defendant contacted her, presumably he knew that she was available because she had advertised in Backpage to engage in prostitution?

MR. GUTWILLIG: Yes, your Honor. The government would agree with that.

THE COURT: And to the extent he was aware that she was available and that he contacted her to come to Brooklyn, it

was presumably, again, for the purpose of furthering this relationship that developed between them?

MR. GUTWILLIG: And as showed by shortly thereafter, she engaged in prostitution on his behalf almost the same day she arrived and saw approximately five customers.

THE COURT: All right. Thank you.

Mr. Miedel, anything else?

MR. MIEDEL: Yes, briefly, your Honor.

Just first of all, in response to your question.

There wasn't a relationship between them that he furthered by contacting her. He contacted her by one text. She responded. They had a phone call, and she came to Brooklyn. And there's no dispute about the purpose of that. She came to work in prostitution.

So again, for Count One, the argument is not that he didn't seek to get her to come to Brooklyn to engage in prostitution. The argument is that that wasn't a crime at that point. It's only a crime if she was — he knew that she was under 18. And so he could engage in all kinds of questionable conduct, but it wasn't a crime and he wasn't there for — no part of the crime was, therefore, occurring in Manhattan at that time until later. And so, you know, that's the argument for Count One.

For Count Five, the suggestion that one text two years before the photograph in question in Count Five is taken is

enough to suggest that enticement took place to allow her, two years later, to take that picture is crazy.

I mean, the reason she ended up taking the picture is because over the course of 18 or 24 months, she engaged in multiple acts of prostitution. And there were pictures taken during that period of time, there was a relationship, and all those things, yes, that's true, but that all took place in Brooklyn. It had nothing to do with Manhattan.

And her testimony that she went back and forth, first of all, she testified, this is on page 182 of the transcript, that in February of 2017 -- she was asked: "Question: What about during February of 2017, where were you spending the nights? Answer: At the defendant's house."

It's sort of irrelevant, frankly, whether she was going back and forth because there's no testimony whatsoever by her or anybody else that anything, anything relating to the crime took place while she was in Manhattan. She was simply coming back and forth over a period of time, but the conduct that makes it the crime, especially the crime in Count Five, took place in Brooklyn.

THE COURT: The question, to some degree, Mr. Miedel, is why she was coming back and forth, and to some extent, she was coming back and forth because the defendant was reaching out to her essentially asking her to come back.

MR. MIEDEL: Well, I'm not sure that's the testimony.

I think the testimony is that she wanted to work. She was a prostitute, right? She was a minor, yes, but she was a prostitute. She wanted to work, and she wanted to make money, and so she would call him. I think the testimony is, in fact, she would call him sometimes to see if the place was open to work out of, and then she would come.

So I'm not sure it's fair to characterize the testimony is that each time that she was in Manhattan, he would reach out to her and try to get her to come back.

THE COURT: Not each time, Mr. Miedel.

MR. MIEDEL: Or anytime really.

THE COURT: I think that there was some testimony, as well, that there were times in which they had disagreements or fights or whatever, and then --

MR. MIEDEL: That's true, and then --

THE COURT: -- she moved out, went back to Manhattan, and at that point, presumably, at least the evidence suggests, that either she voluntarily came back or that the defendant enticed her or recruited her to come back because they had a business relationship.

MR. MIEDEL: Yes, yes. I think that one could maybe probably infer that from the testimony, but that's not the testimony itself. There is no testimony about that. There was testimony about the fact that they had some disagreements and she left, and in fact, at some point, she just packed her bags

and took off and never came back.

But in terms of how the relationship developed or took place during this period of time, and whether he then reached out to her while she was in Manhattan and tried to get her to come back to continue her prostitution with him, there is no testimony like that that I'm aware of.

THE COURT: Well, you put your finger on the question. If there isn't directly, the question is whether there are reasonable inferences that a reasonable jury could draw from those circumstances. One of them might be that they had disagreements, she came back and forth. Sometimes when they had disagreements, she may have come back because the defendant reached out to her.

Mr. Gutwillig, anything else?

MR. GUTWILLIG: Just briefly, your Honor, to respond to a couple of points. First is that there seems to be this argument that the entire crime must have been committed in the Southern District of New York, and the instruction is that any act in furtherance of the unlawful activity occurred within the Southern District of New York.

Secondly, this idea that the defendant had to know she was 18 when he recruited her, is legally incorrect. The statute is very broad on that point. As your Honor knows from the jury notes and the subsequent conversation about it, it's knowledge, should have known, reasonable opportunity to

observe. That does not need to happen at the same time as the recruitment.

And, frankly, I think the argument that she was a prostitute, she was looking for work is ridiculous, and she was a minor. And the reason that this statute protects minors in the way it does is because a minor cannot consent, which is a point that we discussed at trial.

As your Honor suggested, the reasonable inference from working in prostitution and being choked and any other number of things is clearly that the victim went back and forth and felt the need to go back and forth as part of the sex trafficking, which led to the enticement to create the video images.

THE COURT: All right. Thank you. If there's nothing else, I will close the hearing on this matter.

MR. MIEDEL: I'm sorry, one more thing, just briefly.

Mr. Gutwillig just mentioned that, you know, there was testimony about Mr. Kidd choking her and, therefore, causing —you know, that goes to the coercion part of the charge, of which he was acquitted. So, obviously, we cannot even draw the inference that the jury reasonably concluded that based on those facts, he was somehow enticing her or, you know, harboring her or whatever, because they acquitted him of that.

THE COURT: As I understand that testimony,
Mr. Miedel, its relevance is not a question of whether there

was coercion, but whether there were circumstances that drove her to leave the defendant's place of business, and then coming back. In coming back, a reasonable jury, under these circumstances, could conclude that she came back because of communications between them, the relationships that they had, and the acts of enticement or recruitment that the defendant made in order to allow her to come back.

In any event, I'm closing the hearing. I've heard the arguments. Mr. Miedel, I am not persuaded that, under these circumstances, a reasonable jury could legally find the evidence insufficient to establish venue in the Southern District of New York as to both to Counts One and Five.

I think that there is sufficient evidence on the record from which a reasonable jury could make a legal finding that venue was established, that the defendant solicited, enticed or recruited Kaira Brown while he was in Brooklyn and she was in Manhattan, to travel to Brooklyn for the purposes of sex trafficking.

Is there anything else? Thank you.

MR. MIEDEL: Your Honor, one other thing. Sentencing in this matter is currently scheduled, I think, for November 1st. Especially with this hearing being pushed back a couple of times sort of has snuck up on me, and I would ask the Court's indulgence and ask for a continuance on the sentencing.

Part of it is also that I'm still in the process of

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investigating some facts about Mr. Kidd's background that I
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      could use at sentencing and will need some additional time.
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               THE COURT: How much time would you need, Mr. Miedel?
               MR. MIEDEL: Could we schedule it for early December?
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               THE COURT: Yes. Let's look for a time in December.
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               THE LAW CLERK: 2:00 on December 6th?
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               MR. MIEDEL: One moment, your Honor. December 6th,
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      you said?
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               THE LAW CLERK: Yes.
               MR. MIEDEL: Yes, that's fine. Thank you.
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               THE COURT: Is that good for the government?
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               MR. GUTWILLIG: Yes, your Honor.
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               THE COURT: Thank you.
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               (Adjourned)
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